

DRAFT

Approved
1-21-09

CRC Meeting, December 15, 2008

**CARMEL REDEVELOPMENT COMMISSION Meeting, Monday,
December 15, 2008**

Ron Carter called the meeting to order at 5:02 p.m. Commission members Bill Hammer, Carolyn Anker, Jeff Worrell and Rick Sharp were present. Also present were Mayor Brainard, Les Olds, Sherry Mielke, Andrea Stumpf, and Matt Worthley.

Others present:

Rick Osborne, Bruce Donaldson, Kevin Rider, Donna Sanders, Rick Sanders, Ray Bowman, Jim Grady, Darrell Norris and Barb Hammer.

The Pledge of Allegiance was said.

PUBLIC HEARING

A public hearing for the lease between the Carmel Redevelopment Authority (CRA) and the Carmel Redevelopment Commission (CRC) regarding the Keystone Avenue Lease Rental Revenue Bonds was held.

Mr. Carter opened the public hearing at 5:04 p.m.

No one was present to speak in support of the lease rental revenue bonds.
No one was present to speak in opposition of the lease rental revenue bonds.

Mr. Carter closed the public hearing at 5:05 p.m.

Approval of Resolution 2008-12: Keystone Avenue Lease Rental Revenue Bonds

Bruce Donaldson, Barnes & Thornburg, was present to explain Resolution 2008-12 approving a lease between the Carmel Redevelopment Authority (CRA) and the Carmel Redevelopment Commission relating to the construction of a portion of the Keystone Avenue project. The CRA has already adopted a resolution approving this lease. After the public hearing and approval of the CRC, the final action is approval of the lease by the City Council and the pledging of the County Option Income Tax (COIT) as the source of funding for the lease.

Mr. Sharp asked when the first payment under the lease was anticipated to be made. Mr. Donaldson explained the first payment would be deferred for approximately ten years. No interest will be paid during the deferred time and will only be paid upon the maturity of the bond.

Mr. Sharp questioned if the \$25 million would be sufficient to finish the Keystone Avenue project. Mayor Brainard explained the current estimates for the construction are available. This does not include additional costs such as right-of-way acquisition, outside inspection services and engineering costs to prepare the costs. The 136th Street intersection will be constructed out of the February 2009 payment of \$20 million made by the State; the 131st Street intersection can be constructed from the February 2010 early payment of \$20 million made by the State. The \$25 million net proceeds can be used to

construct the 116th Street intersection. Remaining monies from the primary \$50 million installment payment can be used to construct the access roads. With the current estimates and anticipated lower bid amounts, the project will need \$8-\$9 million additional funds beyond the \$25 million to complete the project. Mayor Brainard expressed it was his “hope” and “goal” to not have to ask for this additional \$8-\$9 million funding due to falling petroleum and construction prices, finding additional funds in the city budget, etc. Discussion ensued.

Mr. Hammer questioned if the anticipated cutbacks of state funding would affect the project and how the proposed President-Elect Obama’s stimulus proposal would affect the project. Mayor Brainard explained the funds committed by the State of Indiana are generated from the toll road lease and are already in place, allowing discussion of early payment of the installments. As a member of the Advisory Board of the US Conference of Mayors, Mayor Brainard explained the Obama stimulus program for more infrastructure was actually a proposal of that board. Several possibilities of the bill that could positively affect the project are: projects that are ready to go will be funded very quickly; the normal timeframes associated with the environmental studies required by the Federal Transportation Law, may be halved; the environmental requirements may be waived on an individual basis by the Secretary of Transportation.

Mr. Sharp asked if the City of Carmel had any other leases with payments delayed for ten years. Loren Matthes, Umbaugh and Associates, was present and stated this was the first lease of this kind.

Mayor Brainard explained with the Southwest Clay annexation, the receipt of property taxes COIT are delayed approximately two years but could be as many as ten. With the expense of adding services and the delay of COIT payment, the Keystone Avenue Lease Revenue Bond was structured to begin payments to offset the cost of annexation without raising property taxes.

Ms. Matthes also explained that one set of bonds (2004 lease bonds) utilizing COIT ends in 2017, and that the Keystone Avenue bond was structured to begin with the completion of the previous bond.

Mr. Hammer requested Ms. Matthes describe Capital Appreciation Bonds (CAB) and the general interest rates for those bonds. Ms. Matthes explained the payment structure in regards to interest and principle payments for Capital Appreciation Bonds. With CABs, no interest is accrued during the period of non-payment.

Mr. Carter read Resolution 2008-12. [See attached Resolution 2008-12].

Mr. Sharp moved to table Resolution 2008-12 until such time that the Council completes its deliberations on the road bond. The motion was not seconded.

Mr. Worrell moved to approve Resolution 2008-12 of the City of Carmel Redevelopment Commission approving the form and authorizing the execution of the proposed lease

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between the City of Carmel Redevelopment Authority and the City of Carmel Redevelopment Commission and authorizing certain matters related thereto. Seconded by Ms. Anker.

Mr. Sharp expressed his concern of administrative bodies operating with undue haste with a lack of proper foundation of information.

Mr. Carter expressed his concern with the delayed approval process of the City Council and stated that someone needed to take the lead in moving the project forward on a concrete basis.

Mr. Hammer questioned if the CRC approves Resolution 2008-12 this evening, and the City Council decides to take different action in the future, would the CRC need to rescind Resolution 2008-12. Mr. Donaldson explained the CRC is approving a "not to exceed" amount for the lease which would most likely not need to be modified, but that if the Council changes the material differences, then a new resolution would need to be approved.

The approval of Resolution 2008-12 was passed 4-1, with Mr. Sharp voting against the resolution.

Old Business

No old business at this time.

New Business

No new business at this time.

Adjournment

Mr. Hammer moved the meeting be adjourned and seconded by Mr. Worrell. The meeting was adjourned at 5:45 p.m.